

Summary of Revenues & Expenditures FY ending June 30, 2016

Funding and Appropriations

	Annual Budget	Amend	Annual Final	Year to Date Received	Budget Variance	% Budget
General Fund Approp	\$ 1,984,261	\$ 48,831	\$ 2,033,092	\$ 2,033,092	-	
Earmarked Funds						
Training Reg Fee	\$ 5,000		\$ 5,000	\$ 2,675	\$ (2,325)	54%
Sale - Pubs/Subscript	\$ 8,000		\$ 8,000	\$ 8,140	\$ 140	102%
Award Review Fee	\$ 73,000		\$ 73,000	\$ 36,575	\$ (36,425)	50%
Sale of Photocopies	\$ 88,000		\$ 88,000	\$ 76,877	\$ (11,123)	87%
WC Violation Fee	\$ 1,660,000		\$ 1,660,000	\$ 1,727,124	\$ 67,124	104%
Listings and Labels	\$ 25,000		\$ 25,000	\$ 17,185	\$ (7,815)	69%
WC Hearing Fee	\$ 562,000		\$ 562,000	\$ 573,999	\$ 11,999	102%
Parking	\$ 5,900		\$ 5,900	\$ 6,060	\$ 160	103%
Other	\$ 2,000		\$ 2,000	\$ 26,683	\$ 24,683	1334%
Ttl Earmarked Funds	\$ 2,428,900		\$ 2,428,900	\$ 2,475,318	\$ 46,418	102%

Appro EM Fund Balance	\$ 1,144,679	\$ 47,093	\$ 1,191,772	\$ 1,082,780	\$ (108,992)
GF Carry Forward	\$ -	\$ -	\$ -	\$ -	
Total Funding	\$ 5,557,840	\$ 95,924	\$ 5,653,764	\$ 5,591,190	

Expenditures

	Annual Budget	Amend	Annual Final	Year to Date Expended	Budget Variance
General Fund	\$ 1,984,261	\$ 48,831	\$ 2,033,092	\$ 2,033,092	\$ -
Earmarked Fund		\$ 3,572,066	\$ 3,572,066	\$ 3,558,098	\$ 13,968
Total	\$ 1,984,261	\$ 3,620,897	\$ 5,605,158	\$ 5,591,190	\$ 13,968

Year-End Net Operating Income

	Income	Expense	Net Income
General Fund	\$ 2,033,092		
Earmarked Fund	\$ 2,475,318		
Total	\$ 4,508,410		
Appropriated Fund Balance	\$ 1,082,780		
Total Funding	\$ 5,591,190		
General Fund Expense		\$ 2,033,092	
Earmarked Fund Expense		\$ 3,558,098	
Total Expense		\$ 5,591,190	
Net Income			\$ 0



Annual Report F Y 2015-2016

South Carolina Workers' Compensation Commission



1333 Main Street, Suite 500
Post Office Box 1715
Columbia, South Carolina 29202
803.737.5700
www.wcc.sc.gov

COMMISSIONERS

July 1, 2015—June 30, 2016

T. Scott Beck, Chairman

Susan S. Barden, Vice Chair

Mike Campbell

Melody James

Gene McCaskill

Aisha Taylor

Avery B. Wilkerson, Jr.

Gary M. Cannon, Executive Director

FY 2015-16 Year In Review

The South Carolina Workers' Compensation Commission is proud to report its activities and accomplishments for fiscal year ending June 30, 2016. Through the efforts of its 54 dedicated employees, the Commission continues to focus on accomplishing its mission to provide an equitable and timely system of benefits to injured workers and employers in the most responsive, accurate, and reliable manner possible. The Commission continues to improve the efficiency of operations, focus on transparency, fairness, consistency and engaging all stakeholders in the development and implementation of fee schedules, regulation changes, and changes in policies and procedures. Service to stakeholders remains a primary focus of the Commission. Continuous improvement of organizational culture, active communication with stakeholders and responding to their requests and concerns through use of stakeholder ad hoc advisory committees, and partnering with business and governmental entities has enhanced the efficiency and effectiveness of the business processes and operations of the Commission.

Financial Condition

- FY 2016 operating budget was \$5.6 million, 2.0 million in General Funds and \$3.6 million in Other Funds.
- Utilized \$1 million of appropriate Fund Balance.
- Retained \$2.4 million of the Self Insurance Tax collected (Act 95, 2013).

Key Accomplishments

- Approved a new Medical Services Provider Manual (physician's fee schedule) effective September 1, 2015.
- Adopted the 2015 ICD-10 conversion effective October 1, 2015 to maintain consistency with the Commission's CMS (Medicare) based medical and compensation practices.
- Continued the process for implementing information technology security policies, guidelines and standards developed by the Budget and Control Board.

- Continued to partner with the S.C. Vocational Rehabilitation Department utilizing an electronic database portal for claimant outreach and referral for vocational rehabilitation services. There were a total of 99 referrals.
- Contracted with the S.C. School for the Deaf and the Blind for interpreting services.
- Accepted the Debit Card Advisory Committee's recommendations to allow carriers and employers to make electronic indemnity payments.
- Accepted the Narcotics Advisory Committee's recommendations regarding the issue of prescribed narcotics for patients receiving treatment as a result of workers' compensation injury.
- Established a system to track number of days to complete review of contested medical bills.
- Improved the process for identifying outstanding carrier find debt to be addressed through the Order and Rule to Show Cause process.
- Implemented use of information technology systems to improve the process for scheduling and serving proper notice for Compliance Show Cause Hearings.
- Improved procedures to coordinate and schedule venues for single commissioner hearings and informal conferences with state agencies, local governments, and educational institutions. Added 21 available venues statewide.
- Partnered with S.C. Vocational Rehabilitation for the Commission to use their facilities for hearing sites throughout the state.
- Improved the system to process motions, mediation requests and informal conference requests and implemented a method to monitor data for effectiveness and efficiency.
- Implemented additional procedures to scan and create an electronic image of incoming case file documents for electronic storage and access.
- Implemented Quality Assurance procedures for verifying electronic images.

Mission: To provide an equitable and timely system of benefits to injured workers and employers in the most responsive, accurate and reliable manner possible.

Communication/External Relations

- Conducted two training sessions, Claims Administration Workshop, for 252 stakeholders in July 2015 and May 2016. Attendees included attorneys, insurance companies, third party administrators, employers and others who deal with claims. The workshops were approved for 5.0 CLE credit hours.
- Increased the Commission’s electronic general notice distribution contact list from 553 to 620.
- Posted 12 agendas and supporting documents for the Commission Business Meetings on the Commission’s website two days prior to the meetings.
- Posted 103 general notices on the Commission’s website.
- Emailed 54 general notices, policy advisories and updates to stakeholders and other interested parties.
- The Senate confirmed the reappointment of Commissioner Melody L. James as Commissioner for a term commencing June 30, 2016 through June 30, 2022.
- The Senate confirmed the reappointment of Commissioner Susan S. Barden as Commissioner for a term commencing June 30, 2016 through June 30, 2022.
- The Senate confirmed the reappointment of Commissioner T. Scott Beck to the Commission as Chairman for a term beginning on June 30, 2016 through June 30, 2018.

Compliance & Coverage

- For FY 15-16, The Compliance Division compelled 323 employers in S.C. to come into compliance with the Act. In so doing, approximately 3,000 previously uninsured workers are now properly covered.
- The Compliance Division collected \$902,128 in fines which represents 99% of FY 15 year-end collection.
- Increased Compliance investigations by 195 or 14% (FY 15 - 1,423 to FY 16 - 1,618).

Claims

- Number of cases filed with the Commission increased 965 of 1.5% (FY 15 - 62,977; FY 16 - 63,942).
- Processed 12,304 settlements (Clinchers, Form 16s, and third party settlements) a decrease of 1,461 or 1.0% (FY - 13,765).
- Processed 25,313 initial notices of payments (Form 15 Sections I and II) an increase of 1,373 or 5.7% (FY 15 - 24,140).
- Processed 56,180 Form 18 (Carrier’s Periodic Report) an increase of 1,073 or 2% (FY 15 - 55,107).

Hearings

- Informal Conferences cases assigned decreased by 175 or 3.8% (FY 15 - 4,622; FY 16 - 4,447); Informal Conferences conducted decreased by 363 or 11.6% (FY 15 - 3,139; FY 16 - 2,776).
- Cases docketed for single commissioner hearings increased 617 or 6.3% (FY 15 - 9,765; FY 16 - 10,382).
- Hearings conducted by a commissioner decreased 42 or 3% (FY 15 - 1,225; FY 16 - 1,183).
- Settlements decreased by 1,204 or 11.7% (FY 15 - 10,298; FY 16 - 9,094).

Appeals

- Single commissioner cases appealed to the Full Commission decreased by 12 or 3.6% (FY 16 - 322).
- The number of cases reviewed by the Full Commission decreased by 18 or 10.4% (FY 15 - 173; FY 16 - 155).
- The number of Full Commission cases appealed to higher court decreased by 30 or 32% (FY 15 - 93; FY 16 - 63).

Mediations

- 888 regulatory mediations; 319 requested mediations; 18 ordered mediations; 703 mediations resolved with the receipt of Forms 70.

System Overview

Premiums

- Premiums paid into the workers’ compensation system totaled \$1.055 billion.

Market Share

- Commercial - \$729.7 million (69.1%)
- Self Insurance - \$250.9 million (23.8%)
- State Accident Fund - \$75 million (7%)

Insurance Tax

- Collected \$4.8 million Self Insurance Tax and remitted \$2.4 million to the State General Fund
- The Department of Insurance reported Workers’ Compensation Insurance premium tax paid to the State General Fund - \$17,624,134

Total Cost Reported for Cases Closed (Medical and Indemnity)

- Medical and compensation - \$896.3 million (FY 15 - \$874.2 million)
- Medical expenses totaled \$333.9 million (FY 15 - \$321.1 million)
- Compensation totaled \$562 million (FY 15 - \$553 million)

Average cost Per Claim

- Total = \$14,120 per claim (FY 15 - \$13,840)
- Medical = \$5,261 per claim (FY 15 - \$5,084)
- Compensation = \$8,859 per claim (FY 15 - \$8,756)

Compensation by Category

- Total = \$562 million (FY 15 - \$553 million)
- Agreement = \$536.7 million (FY 15 - \$525.3 million)
 - Percent of Total = 96% (FY 15 - 95%)
- Award = \$25.7 million (FY 15 - \$27.8 million)
 - Percent of Total = 4.6% (FY 15 - 5%)

Statistical Recap

Number of Employers Purchasing Insurance	86,316
Number of Employers Qualifying as Self-Insurers	2,160
Investigations Active Beginning of Fiscal Year	346
Investigations Initiated	1,618
Hearings	307
Consent Agreements Received	253
Total Investigations Closed	1,229
Year	263
Number of Accident Cases Filed with the Commission	63,942
A. New Cases	61,535
B. Reopened cases	2,407
Year	63,480
A. Individually Reported Accidents	26,285
B. Minor Medical Only Accidents Report	37,195
Total Compensation & Medical Cost Paid on closed cases	\$896,375,217
A. Medical Costs	\$333,994,539
B. Compensation	\$562,380,678
Agreements	14,470
Supplemental Compensation Agreements	2,898
Applications for Stop Payment	1,652
Cases Docketed for Hearings	10,382
Cases Assigned for Informal Conferences	4,447
Commissioners	1,183
Informal Conferences Conducted	2,776
Decisions, Opinions & Orders, Single Commissioners	1,407
Review or Panel	322
Decisions and Opinions by Full Commission or Panel	155
Commission Decisions Appealed to Higher Court	157
Common Law Settlements	63
Attorney Fee Approvals	9,094
	8,603